

Rail passenger complaints handling: from process to culture
13 March 2014 Workshop

Opening remarks from Richard Price, Chief Executive, Office of Rail Regulation

It is with great pleasure that I welcome you all here today to share your views with us on how we can support the railway industry in ensuring that the mechanisms in place for complaints handling deliver continuing benefits for passengers. We know this is your goal too.

As you may know in October last year we took over responsibility for approving and monitoring compliance with passenger complaints handling procedures. We are also the enforcement authority if things go wrong. This is a new role and we are keen to have this conversation with you today to help us as we develop our approach to discharging our new responsibilities.

We have no reason to think that the existing system is broken – and we are not looking to implement radical change or impose onerous requirements for the sake of it. Instead, having a new perspective in this space provides an opportunity to reflect on the current framework, together with you, to determine what amendments and improvements could be made. We will be looking to be proportionate and targeted and ensure that the regulatory framework we are responsible for supports a system which is focused on improving the passengers' experience.

What do I mean by this? We want to see a framework which enables operators to do two things well.

Firstly, to respond to individual passengers' complaints effectively, and to do so in a way that suits the different services operators' offer and different customers they service.

But, also, secondly, a framework that helps and encourages operators to use the intelligence gained through customer complaints to build an ever improving service.

We don't want to see a 'tick box' compliance processes which don't really benefit anyone, are burdensome, and miss the opportunity to use customer complaints as a source of market intelligence. We are interested in the way feedback from customers can be used in conjunction with other information that operators receive on customer satisfaction to create a richer picture of passengers' views on what they want, and sources of satisfaction and dissatisfaction.

Across the industry passenger satisfaction levels are close to record levels. But we know that in large parts of the industry the railway's customers have little day-to-day choice over which operator they travel with. Where there is dissatisfaction, consumers are less likely than in other sectors to have the option of switching suppliers. That is why complaints handling, as part of a wider framework of consumer empowerment, is so important in rail. And it's not just about putting things right when things go wrong – important though that is. It's also about making sure passengers feel confident that it's worth giving rail businesses feedback because it will be valued, taken seriously, and along with other sources of customers' views, used to help tailor services more closely to what customers want.

This gives consumers more power in the market, but also creates opportunities to deliver lasting dividends both to rail users, and to the businesses providing the services.

For the operators in the room, I am not standing before you today to tell you how to serve your passengers – you know that better than I. And for the passengers in the room, of which I am one, I am not going to tell you that the regulator knows better than you what you expect from those who provide your train services.

Indeed, that is the point. As regulator, we do not want to get in the way of the valuable dialogue which happens between passenger and operators. In general, regulators and civil servants do not know best how to design and deliver services customers want. That's why we focus on the mechanisms for customers to express their views, and for businesses to listen. Where we can add value is in ensuring that there is a framework in place which ensures that dialogue can happen effectively, and that it is designed to encourage real benefits to passengers from the intelligence which emerges.

So, let me say again, we have no evidence that the system is broken. But we do know there may be potential to improve the current system for passengers and operators, and even over time help address the root causes of complaints, which will add lasting value. We want to hear your views. As John has said, we are developing our approach at the moment and your input today will give us a strong steer on how to frame our work in this area.

But responding effectively to customer complaints is not unique to railways. It sits across all customer service industries, and there may be lessons we can draw from the experiences in other sectors.

It is my pleasure to be able to welcome today Tony Boorman, Chief Ombudsman and Chief Executive of the Financial Ombudsman Service, to share some of the experiences he has had in the financial services sector.

So, once again, thank you for joining us today for this important discussion and will you join me in welcoming Tony.

[words – 640 – 7 minutes]